STATE OF ARIZONA FILED

NOV 16 2012

STATE OF ARIZONA DEPARTMENT OF INSURANCE

DEPT OF INSURANCE BY

In The Matter Of: CHAMBERS, KENNETH RUSSELL (Arizona License # 990474) (NPN # 47710) and NATIONAL BAIL

BOND, LLC (Arizona License #995176)

No. 12A-043-INS
CONSENT ORDER

Respondents.

The State of Arizona Department of Insurance ("Department") has alleged that Kenneth Russell Chambers and National Bail Bond, LLC ("Respondents") violated provisions of Title 20, Arizona Revised Statutes. Respondents wish to resolve this matter without the commencement of formal proceedings, admit the following Findings of Fact are true, and consent to entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

- 1. Kenneth Russell Chambers ("Chambers") is licensed as a resident bail bond agent, Arizona license number 990474, which expires on December 31, 2014.
- 2. Chambers' addresses of record are: 16549 N. 91st Dr., Peoria, Arizona 85382 (business and residence) and P.O. Box 6191, Peoria, Arizona 85385 (mailing).
- 3. National Bail Bond, LLC ("National") is an Arizona corporation licensed as a resident bail bond agent, Arizona license number 995176, which expires on July 31, 2015.
- 4. National's addresses of record are: 330 E. Thomas Rd., Phoenix, Arizona 85012 (business) and P.O. Box 6191, Peoria, Arizona 85385 (mailing).
- 5. Until April 12, 2012, Chambers was the sole Member and Manager of National.
 - 6. Chambers is National's Designated Responsible Licensed Producer.

26

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

III

- 7. On or about April 27, 2011, Chambers submitted an application for an individual insurance license to the Department ("April 27, 2011 Application").
- 8. Section V, Question E of the April 27, 2011 Application asks: *Otherwise*, <u>if</u> you are applying for a bail bond agent license, have you EVER been convicted in any jurisdiction of any crime (felony, open-ended or misdemeanor) that involved theft OR carrying, illegally using or possessing a deadly weapon or dangerous instrument? Chambers answered "No" to Question E and signed the April 27, 2011 Application.
- 9. On June 23, 1987, in Case CR19346, the Pima County Superior Court adjudged Chambers guilty of theft, an undesignated offense. On March 29, 1988, the court designated the conviction for theft as a misdemeanor.

CONCLUSIONS OF LAW

- 10. For purposes of A.R.S. § 20-340.03(A)(9), "employment" means working for a salary, a commission or under contract or owning, operating or controlling any business or agency that solicits, services or assists in any way in dealing with bail bonds. A.R.S. § 20-340.03(B).
- 11. Respondents' conduct, as alleged above, constitutes employing or assisting in the employment of any person who has been convicted in any jurisdiction of theft, within the meaning of A.R.S. § 20-340.03(A)(9).
- 12. Respondents' conduct, as alleged above, constitutes providing incorrect, misleading, incomplete or materially untrue information in the license application, within the meaning of A.R.S. § 20-295(A)(1), as applied to bail bond agents under A.R.S. § 20-340.06.
- 13. Respondents' conduct, as alleged above, constitutes violating any provision of Title 20 or any rule, subpoena or order of the director, within the meaning of A.R.S. § 20-295(A)(2), as applied to bail bond agents under A.R.S. § 20-340.06.

14. Grounds exist for the Director to suspend, revoke, or refuse to renew Chambers' insurance license, pursuant to A.R.S. §§ 20-295(A) and (F), 20-340.03, and 20-340.06.

ORDER

IT IS HEREBY ORDERED THAT:

- Respondent Kenneth Russell Chambers' resident bail bond agent license,
 Arizona license number 990474, is revoked, effective immediately upon entry of this Consent Order.
- 2. Dismissing Respondent National Bail Bond, LLC as a party in this matter, subject the requirements of paragraph 3 of this Order.
- 3. National Bail Bond, LLC shall, within 30 days of entry of this Consent Order, remove Respondent Kenneth Russell Chambers from any position as owner, designated producer, member, officer, director, or manager at National Bail Bond, LLC, Arizona license number 995176, (ii) transfer all ownership in National Bail Bond, LLC to a licensed bail bond agent(s) that has been approved of by the Department, and (iii) appoint a new designated responsible licensed producer for National Bail Bond, LLC.
- 4. Respondent Kenneth Russell Chambers shall pay a civil penalty in the amount of five hundred dollars (\$500.00) for deposit into the State General Fund, due and payable upon return of this Consent Order.
- 5. The hearing in this matter scheduled for November 19, 2012, is vacated.

DATED AND EFFECTIVE this $16^{\frac{1}{2}}$ day of November, 2012.

GERRIE MARKS, Acting Director Arizona Department of Insurance ///

///

III

///

///

CONSENT TO ORDER

- 1. Respondents have reviewed the foregoing Findings of Fact, Conclusions of Law and Order.
- 2. Respondents admit the jurisdiction of the Director of Insurance, State of Arizona, and admit the foregoing Findings of Fact and consent to the entry of the foregoing Conclusions of Law and Order.
- 3. Respondents are aware of their right to notice and a hearing at which they may be represented by counsel, present evidence and examine witnesses. Respondents irrevocably waive their right to such notice and hearing and to any court appeals relating to this Consent Order.
- 4. Respondents state that no promise of any kind or nature whatsoever, except as expressly contained in this Consent Order, was made to them to induce them to enter into this Consent Order and that they have entered into this Consent Order voluntarily.
- 5. Respondents acknowledge that the acceptance of this Consent Order by the Director is solely to settle this matter against them and does not preclude any other agency, officer, or subdivision of this state including the Department from instituting civil or criminal proceedings as may be appropriate now or in the future.
- 6. Respondents acknowledge that this Consent Order is an administrative action that the Department will report to the National Association of Insurance Commissioners (NAIC).

_ 1	7. Kenneth Russell Chambers represents that he is the Designated
2	Responsible Licensed Producer for National Bail Bonds, LLC, and, as such, is authorized
3	to enter this Consent Order on its behalf.
4	DATED this 15 day of November, 2012.
5	
6	By By
7	Kenneth Russell Chambers (Arizona License # 990474), Designated Responsible Licensed
8	Producer, Individually and on behalf of National
9	Bail Bonds, LLC (Arizona License # 995176)
10	COPIES of the foregoing mailed/delivered
11	this <u>16th</u> day of November, 2012, to:
12	Charles R. Cohen Low & Cohen, PLLC 2999 North 44 th Street, Suite 550 Phoenix, Arizona 85018 Attorney for Respondents
13	
14	
15	
16	Mary Kosinski, Executive Assistant for Regulatory Affairs Catherine M. O'Neil, Consumer Legal Affairs Officer
17	Steve Fromholtz, Licensing Supervisor Department of Insurance 2910 North 44 th Street, Suite 210 Phoenix, Arizona 85018
18	
19	
20	Alyse C. Meislik Assistant Attorney General
21	1275 West Washington Street
22	Phoenix, Arizona 85007-2926 Attorneys for the Arizona Department of Insurance
23	(1220 ears &) lexton
24	WOOD OF THE PARTY
25	#2918868.2
26	